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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/727,303	12/02/2003	Paul Gallagher	017887-005920US	5215
20350	7590	06/08/2005	EXAMINER	
TOWNSEND AND TOWNSEND AND CREW, LLP TWO EMBARCADERO CENTER EIGHTH FLOOR SAN FRANCISCO, CA 94111-3834			BORLINGHAUS, JASON M	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 06/08/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/727,303

Applicant(s)

GALLAGHER ET AL.

Examiner

Jason M. Borlinghaus

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 March 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3, 5-8, 11-14, 16-18, 20-26, 28-32, 34-42, 48 and 49 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3, 5-8, 11, 23-25, 28, 29, 36-42 and 48 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claim(s) 12-14, 16-18, 20, 21, 26, 30-32 and 49 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 02 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 12/2/03.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

AS

DETAILED ACTION

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 - 2, 5, 8, 11, 23 – 24, 36-39, 41-42 and 48 are rejected under 35 U.S.C. 103(a) as being anticipated by Barbara (US PG Pub. 2002/0016769) in view of Youngblood (Youngblood, Dick. *Some hung up about paying bills via a computer*. *Star Tribune*. Minneapolis, Minnesota. May 23, 1993. p. D02).

Regarding Claim 1, 3, 5, and 8, Barbara discloses a method comprising the steps of:

- receiving a transfer request from a first user, the transfer request including an amount of funds for transfer from a first online account associated with the first user and identification information for a recipient of the funds, the identification information including an electronic message address for the

recipient. ("...the customer is asked if he or she wants to send money. At S11, if the customer responds in the affirmative, at S12, the customer is asked to enter an e-mail address of the intended recipient. At S13, the customer is asked to validate that the correct e-mail address was entered and to designate an amount." – see page 4, paragraph 0054 and figure 3);

- further including the step of opening (registering) the first account (customer transaction account – see figure 1) in response to a request from the first user to open the first account. ("Thus, the customer that registers for the service is able to have funds reside in the transaction account and to transmit funds from that account to other users, such as recipient, once the recipient is also enrolled." – see page 3, paragraph 0050);
- automatically sending an electronic message to the recipient using the electronic message address, the electronic message indicating that funds are ready for transfer to the recipient. ("Referring to FIG. 4, while the recipient is browsing through the recipient's e-mail, for example, at SI 7, the recipient discovers that he or she has an e-mail message advising that the recipient has received the funds." – see page 4, paragraph 0055 and figure 4);
- wherein the electronic message address is an e-mail address, and wherein the electronic message is an e-mail message. ("...the customer is asked to enter an e-mail address of the intended recipient." – see page 4,

paragraph 0054 and figure 3. "Referring to FIG. 4, while the recipient is browsing through the recipient's e-mail, for example, at SI 7, the recipient discovers that he or she has an e-mail message advising that the recipient has received the funds." – see page 4, paragraph 0055 and figure 4);

- receiving a response from the recipient wherein the response includes a request by the recipient to open an account (recipient transaction account – see figure 1). ("At S18, the recipient is asked to register to the service of the present invention to receive the funds...If the recipient elects to register, at S20, the recipient performs a registration process which is the same for the recipient as for the customer". – see page 9, paragraph 0090);
- opening/identifying a second account for the recipient (recipient transaction account – see figure 1). ("Once the recipient completes the registration process, at S21, the recipient is able to designate which account he or she wants to use as the recipient account." – see page 4, paragraph 0055); and
- transferring said amount of funds from the first account (customer transaction account) to the second account (recipient transaction account) associated with the recipient if the response indicates acceptance. ("Thus, the customer that registers for the service is able to have funds reside in the transaction account and to transmit funds from that account to other

users, such as recipient, once the recipient is also enrolled.” – see page 3, paragraph 0050).

Barbara does not teach a method comprising the steps of:

- receiving a response from the recipient accepting or rejecting the transfer of funds wherein the response includes a request by the recipient to open an account.

Youngblood discloses a method comprising the steps of:

- the recipient accepting or rejecting the transfer of funds. (“Of the 800 merchants designated to receive payments from the consumers who have joined the system so far, only two – US West and the Mastercard operation at First National Bank of Omaha – have actually linked up with Bill&Pay to offer their customers both electronic billing and payment.” – establishing that a recipients can accept or reject the electronic transfer of funds b y opting in or out of the system.)

It would have been obvious to one of ordinary skill in the art at the time that the invention as made to have modified Barbara to incorporate the ability to accept or reject electronic fund transfers, as evidenced by Youngblood, through Barbara’s email notification system, allowing recipients to receive funds in the format of their choice. As Youngblood states, users may not want to receive funds through an electronic funds transfer due to “the expense and trouble of changing procedures to account for electronic for electronic fund transfers as well as checks.”

Regarding Claim 11, Barbara discloses a method wherein the method:

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- is implemented through a URL. ("Customer navigates to enrollment page..." – see S1, figure 2); and
- sending an electronic message ("Referring to FIG. 4, while the recipient is browsing through the recipient's e-mail, for example, at SI 7, the recipient discovers that he or she has an e-mail message advising that the recipient has received the funds." – see page 4, paragraph 0055 and figure 4).

Neither Barbara nor Youngblood teach a method wherein:

- the method is implemented in a host server, and wherein the electronic message includes a URL link to the host server.

It would have been obvious to one of ordinary skill in the art at the time that the invention was made to have modified Barbara to incorporate a URL link to the host server in the electronic message to allow for the recipient of the electronic message to easily and simply connect to and register with the system.

Regarding Claims 23-24, further system claims would have been obvious from method claims, Claims 1-2 rejected above, and is therefore rejected using the same art and rationale.

Regarding Claim 36, a method comprising the steps of:

- receiving a transfer request to transfer funds from a first online account associated with a first user to a second online account associated with a second user, wherein the transfer request includes a bank identifier that identifies a first one of the affiliate banks. ("...the customer is asked if he or she wants to send money. At S11, if the customer responds in the

affirmative, at S12, the customer is asked to enter an e-mail address of the intended recipient. At S13, the customer is asked to validate that the correct e-mail address was entered and to designate an amount.” – see page 4, paragraph 0054 and figure 3. “If a deposit account, such as checking account, a debit account, and/or a money market account of the user, is designated as the source account, the user is prompted to enter information about the deposit account, such as a deposit account number and/or an American Bankers Association (ABA) number of a financial institution with which the deposit account is maintained.” – see page 2, paragraph 0017);

- transferring funds from the first online account to the second online account. (“Thus, the customer that registers for the service is able to have funds reside in the transaction account and to transmit funds from that account to other users, such as recipient, once the recipient is also enrolled.” – see page 3, paragraph 0050); and
- wherein the first affiliate bank conducts the fund transfer settlement for the transferred funds on behalf of the first user. (“The system provider can be a financial institution 20, such as a bank, and the funding sources 24, 32 can be banking accounts with the service providing bank or with other financial institutions or banks.” – see page 5, paragraph 0060).

Barbara does not teach a method comprising the steps of:

- transferring funds from the first online account to the second online account after the second user has approved the transfer request

Youngblood discloses a method comprising the steps of:

- second user approves the transfer request. . (“Of the 800 merchants designated to receive payments from the consumers who have joined the system so far, only two – US West and the Mastercard operation at First National Bank of Omaha – have actually linked up with Bill&Pay to offer their customers both electronic billing and payment.” – establishing that a recipients can accept or reject the electronic transfer of funds by opting in or out of the system.)

It would have been obvious to one of ordinary skill in the art at the time that the invention as made to have modified Barbara to incorporate the ability to accept or reject electronic fund transfers, as was done by Youngblood, through Barbara’s email notification system, allowing recipients to receive funds in the format of their choice. As Youngblood states, users may not want to receive funds through an electronic funds transfer due to “the expense and trouble of changing procedures to account for electronic for electronic fund transfers as well as checks.”

Regarding Claim 37, Barbara discloses a method wherein:

- the settlement includes one of an ACH transaction, a check card transaction and a credit card transaction. (“Thus, the system of the present invention provides a single place for users, such as customer 10

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and recipient 14, to go to transact all of their payments, such as merchant payments or person-to-person payments, using all available payment mechanisms, such as a paper check through the ACH system or a credit card to the merchant's system." – see page 7, paragraph 0073. "However, the sender 10 of funds needs a source account 24, such as a debit or checking account 26, or a credit card account 28 as the source of funds." – see page 3-4, paragraph 0050).

Regarding Claim 38, Claim 38 recites similar limitations to a portion of Claim 1 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1.

Regarding Claim 39, Claim 39 recites similar limitations to a portion of Claim 2 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1.

Regarding Claim 41, Barbara discloses a method further including:

- the step of receiving a second bank identifier from the second user, the second bank identifier identifying one of the affiliate banks for conducting fund transfer settlement on behalf of the second user. ("If the recipient 14 designates a checking account 34, at S25, the system proceeds through the same verification and validation process as it did for the customer 10, in order to minimize the opportunity for fraud. Thus, the enrollment process is the same for both a customer 10 and a recipient 14." – see page 4, paragraph 0056).

Regarding Claim 42, Barbara discloses a method wherein:

- the first and second bank identifiers indicate the same affiliate bank. ("The system provider can be a financial institution 20, such as a bank, and the funding sources 24, 32 can be banking accounts with the service providing bank or with other financial institutions or banks." – see page 5, paragraph 0060).

Regarding Claim 48, Barbara discloses a method wherein:

- the transfer request includes a request from the first user to pay funds to the second user. ("...the customer is asked if he or she wants to send money. At S11, if the customer responds in the affirmative, at S12, the customer is asked to enter an e-mail address of the intended recipient. At S13, the customer is asked to validate that the correct e-mail address was entered and to designate an amount." – see page 4, paragraph 0054 and figure 3).

Claims 3, 25 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barbara and Youngblood, as with Claim 1, 23 and 38 above, in view of Saylor (US PG Pub. 2004/0111370).

Regarding Claims 3 and 40, neither Barbara nor Youngblood teach a method wherein:

- the electronic message address includes a user ID associated with the recipient, and wherein the step of automatically sending an electronic

message includes initiating an instant message session with the recipient based on the user ID.

Saylors discloses a method wherein:

- the electronic message address includes a user ID associated with the recipient, and wherein the step of automatically sending an electronic message includes initiating an instant message session with the recipient based on the user ID. ("For example, "email" may be replaced with a voice mail or instant messaging." – see page 18, paragraph 0168 – establishing that instant messaging notification of recipient could be used in place of email notification of recipient. It would be inherent in utilizing instant messaging communication that the system request the recipient's user ID in substitution for or in addition to the recipient's email address).

It would have been obvious to one of ordinary skill in the art at the time that the invention as made to have modified Barbara and Youngblood to incorporate instant messaging, as was done by Saylors, to allow the system to communicate to the recipient through a variety of electronic means.

Regarding Claim 25, further system claim would have been obvious from method claim rejected above and is therefore rejected using the same art and rationale.

Claims 6 – 7 and 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barbara in view of Talati (US Patent 5,903,878).

Regarding Claims 6-7, Barbara discloses a method comprising the steps of:

- receiving a transfer request from a first user, the transfer request including an amount of funds for transfer from a first online account associated with the first user and identification information for a recipient of the funds, the identification information including an electronic message address for the recipient. (“...the customer is asked if he or she wants to send money. At S11, if the customer responds in the affirmative, at S12, the customer is asked to enter an e-mail address of the intended recipient. At S13, the customer is asked to validate that the correct e-mail address was entered and to designate an amount.” – see page 4, paragraph 0054 and figure 3);
- further including the step of opening (registering) the first account (customer transaction account – see figure 1) in response to a request from the first user to open the first account . (“Thus, the customer that registers for the service is able to have funds reside in the transaction account and to transmit funds from that account to other users, such as recipient, once the recipient is also enrolled.” – see page 3, paragraph 0050);
- automatically sending an electronic message to the recipient using the electronic message address, the electronic message indicating that funds are ready for transfer to the recipient. (“Referring to FIG. 4, while the recipient is browsing through the recipient's e-mail, for example, at SI 7, the recipient discovers that he or she has an e-mail message advising that

the recipient has received the funds.” – see page 4, paragraph 0055 and figure 4);

- receiving a response from the recipient accepting or rejecting the transfer of funds wherein the response includes a request by the recipient to open an account (recipient transaction account – see figure 1). (“The system treasury ensures that the sender is credited for rejects/returns/stop payments at the current FX rate.” – see page 9, paragraph 0090 – establishing that recipient can reject transfer of funds. “At S18, the recipient is asked to register to the service of the present invention to receive the funds...If the recipient elects to register, at S20, the recipient performs a registration process which is the same for the recipient as for the customer”. – see page 9, paragraph 0090); and
- transferring said amount of funds from the first account (customer transaction account) to the second account (recipient transaction account) associated with the recipient if the response indicates acceptance. (“Thus, the customer that registers for the service is able to have funds reside in the transaction account and to transmit funds from that account to other users, such as recipient, once the recipient is also enrolled.” – see page 3, paragraph 0050).

Barbara does not teach a method comprising the steps of:

- wherein the transfer request further includes a request for identity confirmation;

- wherein the request for identity confirmation includes a query, and wherein the information from the recipient includes an answer to the query;
- wherein the response from the recipient includes identity information responsive to the request for identity confirmation;
- automatically sending the identity information to the first user;
- receiving from the first user an acceptance or a rejection of the identity information; and
- transferring said amount of funds if an acceptance of the identity information is received from the first user.

Talati discloses a method comprising the steps of:

- wherein the transfer request further includes an identity confirmation.
("The payment authorization request will have attached to it the unique transaction identifier initially provided by the client along with transaction information. Upon receipt of the payment authorization request the TA will validate the client and the merchant using the information provided. The TA then generates a validation request to the client that includes the unique transaction identifier." – see col. 2, lines 23 – 29);
- wherein the request for identity confirmation includes a query, and wherein the information from the sender includes an answer to the query.
("Additionally, the identity of the originator 50 may be validated by requiring the originator to answer a series of questions that only the

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originator would know, such as mother's maiden name, social security number, etc." – see col. 5, lines 36 – 39);

- wherein the response from the recipient includes identity information responsive to the request for identity confirmation. (see col. 5, lines 36 – 39);
- receiving from the requester an acceptance or a rejection of the identity information. ("The CA 60 responds at step 180, with an authorization for the transaction if the client 50 transaction and credit limit have been approved by the CA processor 61 and if there is a confirmation by client 10 of transaction validity. If the transaction is not validated by either the CA 60 or client 50, the CA transmits a rejection of the requested transaction to the merchant at step 185, and the client is notified by the merchant of the rejection at step 190." – see col. 6, lines 33 - 40); and
- transferring said amount of funds if an acceptance of the identity information is received from the first user ("If the banking system 60 approves the payment transaction request at step 91, the payment transaction is then completed at step 290 by transferring funds to the proper accounts." – see col. 7, lines 57 – 60).

It would have been obvious to one of ordinary skill in the art at the time that the invention was made to have modified Barbara to incorporate an identity validation system, as disclosed by Talati, to ensure that the fund transfer is valid and authorized by parties to the transaction. Additionally, it would have been obvious to one of ordinary

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skill to have reversed the identity validation method, as disclosed by Talati, to ensure that the recipient, in contrast to the sender, is the valid and authorized recipient of the transferred funds. Furthermore, Talati does not disclose that the response to the identity information is automatic. However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have automated the method, since it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.


Regarding Claims 28 –29, further system claims would have been obvious from methods claims rejected above in Claims 6-7 and is therefore rejected using the same art and rationale.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The references cited to (PR Newswire. *Paypal.com becomes #1 online payment service on eBay*. New York. January 31, 2000. p.1), (Sapsford, Jathon. *You've got mail (with cash!) – Paypal sees torrid growth with a service that sends money across the internet*. *Wall Street Journal* (eastern edition). New York, NY. February, 16, 2000. p.B1), (PR Newswire. *VeriSign selected by CIBC to provide internet payment connectivity for new person-to-person payment service*. New York. July 31, 2000. p.1), (O'Brien, Jeanne. *Bank One unveils e-mail money transfer service*. *Bank Systems & Technology*. New York. vol. 37, iss. 5. May 2000. p. 24), (Waring, Becky. *Money is just a click away: Web services make person-to-person payments painless*,

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paper-free. San Francisco Chronicle. San Francisco, California. July 27, 2000. p. B1),
Ito (US Patent 6,039,250), Rose (US Patent 5,757,917), Gutierrez-Sheris (US PG Pub.
2002/0029190) and O'Leary (US PG Pub. 2003/0140004) and these references are
considered to be relevant to the claimed invention due to their reference to online
payment services. Additional references cited to French (US Patent 6,263,447) and this
reference is considered to be relevant to the claimed invention due to its reference to
identity verification of network users.



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